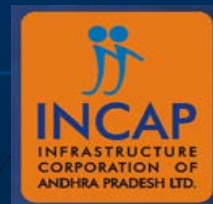


INFRASTRUCTURE OPPORTUNITIES IN ANDHRA PRADESH

by

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Vice Chairman & Managing Director**



GoAP MISSION STATEMENT

Providing necessary impetus to the infrastructural growth on continuous basis for a buoyant economy.

How can we achieve this Mission?

Background Requirements

- Infrastructure and economic development are tightly integrated
- Public-private partnerships (PPP) will be successful when economy is strong
- PPP and public policy requirements Framework are essential
- Some policy implications

Developing and Developed Countries

- Developing countries include low- and middle-income economies
- Developed (advanced, industrial, rich) countries denote high-income economies

Some Measures of Infrastructure

- Paved road density (PRD), in km per million persons
- Electricity-generating capacity (ELE), in thousands of kilowatts per million persons
- Number of telephone connections per million population (TEL)
- Railroad tracks (RWY), in km per million population

Average Measures of Infrastructure

Economies	PRD (km/mil pop)	ELE (1,000's of kw/mil pop)	TEL (# of connec. /mil pop)	RWY (km/mil pop)
Low-income	410	70	7,920	70
Lower-middle Income	610	190	46,760	190
Upper-middle Income	1,950	560	154,100	330
High-income	10,150	2,070	673,000	840

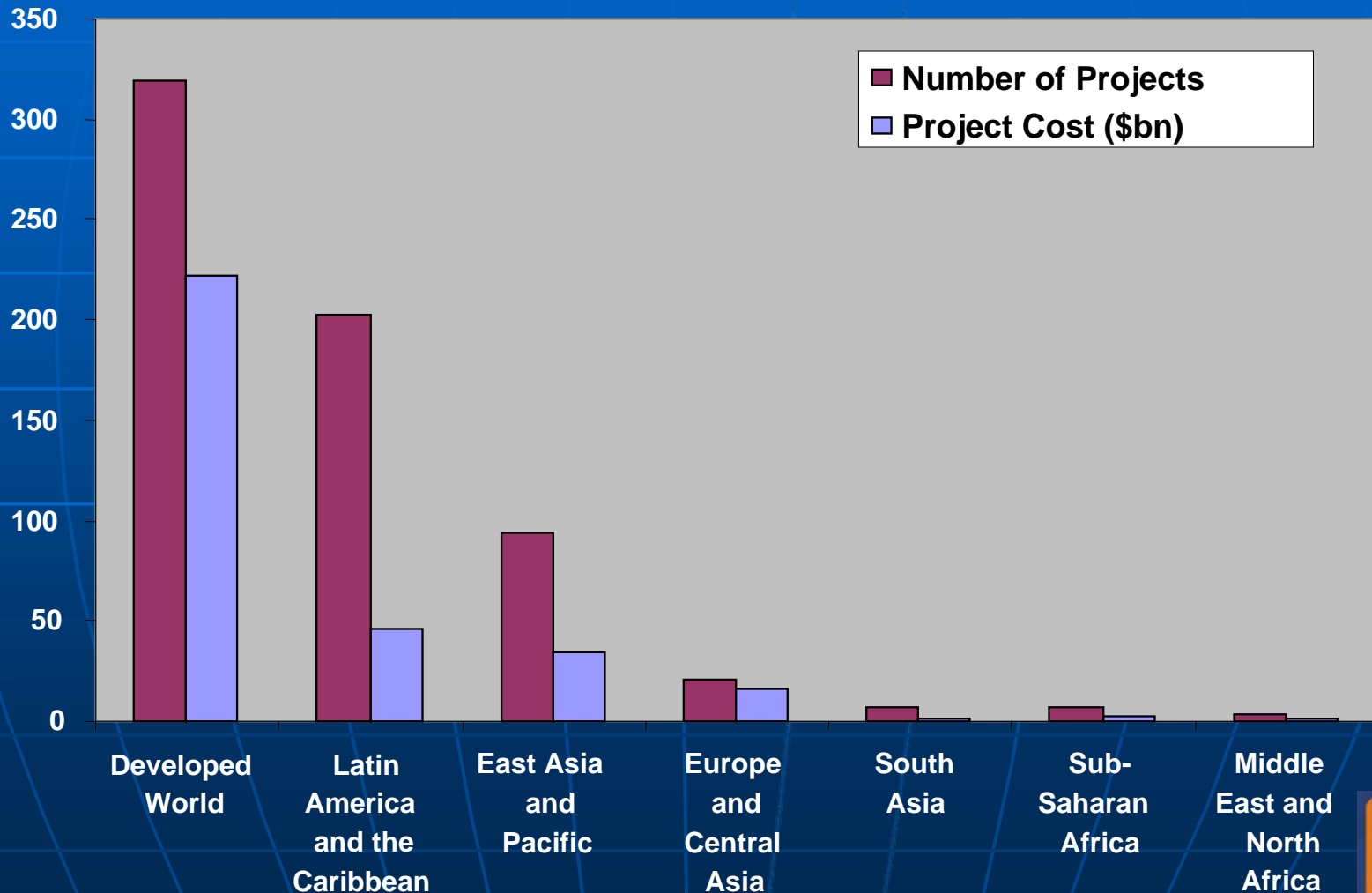
What is PPP?

- A partnership between the public sector and the private sector to deliver a project or a service traditionally provided by the public sector
- It allows each sector to do what it does best
- Risks are borne by those best able to manage them

Why PPP?

- Financial shortages in the public sector
- Operating efficiencies inherent to the private sector
- Reduced whole life costs through better risk allocation and incentives to perform
- Improved quality of service
- Generation of additional revenues
- Enhanced public management

PPPs remain concentrated in a select group of countries



INFRASTRUCTURE DEVELOPMENT STRATEGY

Government of Andhra Pradesh (GOAP) keen to develop infrastructure projects in the State under the following modes:

- GoAP as Developer
- Government to Government initiatives
- Joint Venture with Private Sector
- Any other Public-Private-Partnership

OBJECTIVES

- To stimulate growth through infrastructure development
- To create and sustain infrastructural facilities in the state of Andhra Pradesh
- To realize full potential of by making value additions to both natural and human resources
- To enhance the overall economic growth of the state and the quality of life of people of Andhra Pradesh

STRENGTHS

- Internal
 - Involvement of competent staff
 - Equity Capital Not a Constraint
 - Experience in public private partnership mode

- External
 - Boom in the economy
 - Visible stress on infrastructure by central & state government

ADVANTAGE ANDHRA PRADESH

- AP Infrastructure Development Enabling Act 2001
- Infrastructure Authority is in place
- Agency for project identification - preparation and hand- holdings formed
- Exceptional experience in delivering PPP projects
- Commercial format of infra projects accepted locally
- Presence of demand drivers and willingness to pay

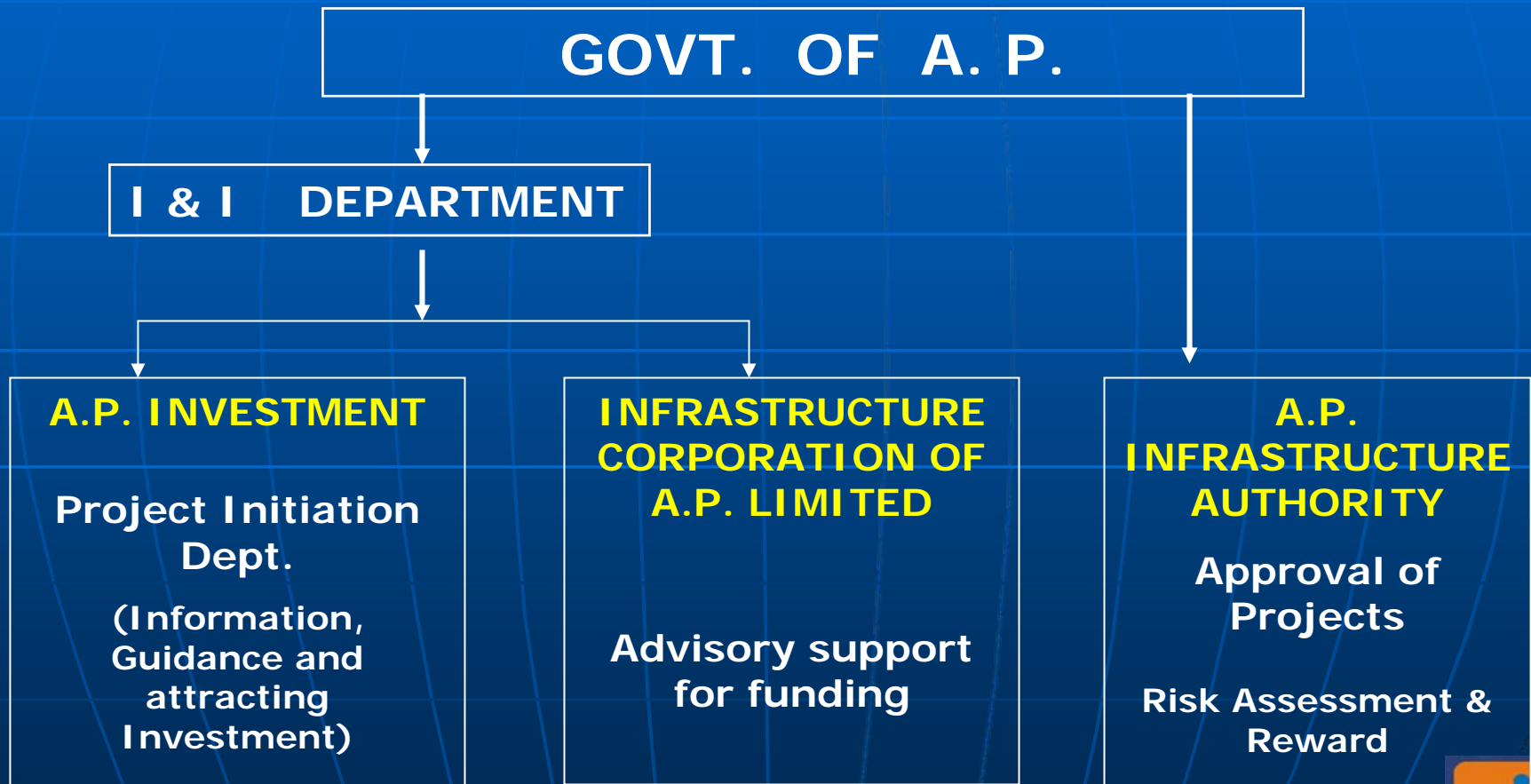
GOAP INITIATIVES

- Department of Infrastructure and Investment created in February, 2005.
- Infrastructure Corporation of Andhra Pradesh Limited (INCAP) incorporated in May, 2005 as a Public Limited Company for commercial exploitation of Projects
- To identify, conceptualize, promote and advice on Infrastructure Projects in Andhra Pradesh

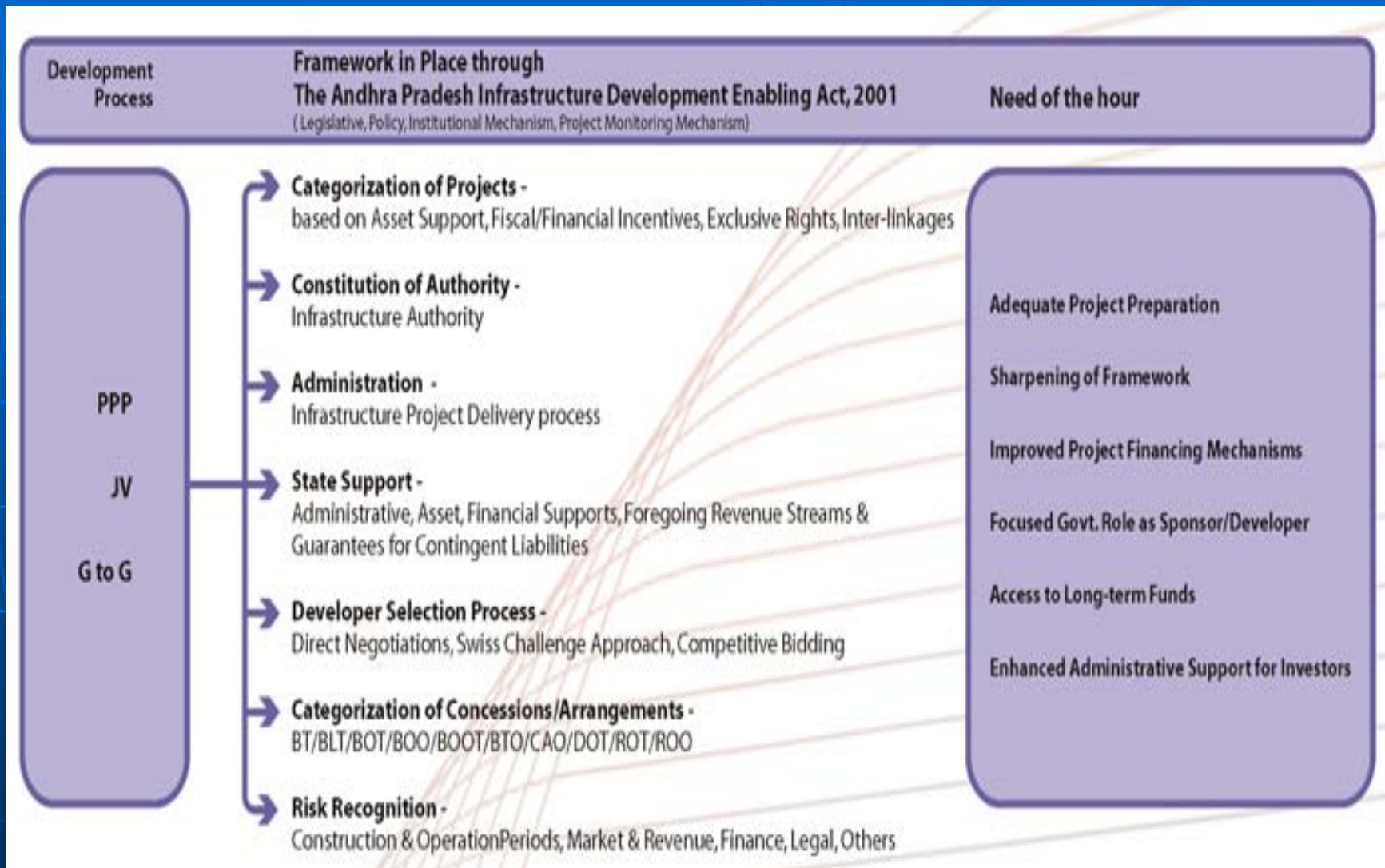
	Information and guidance		Advisory support and funding				Approval
	Resource center (dissemination)	PPP guidance material	Intensive project-specific advice	Funding for PPP preparation ^a	Role as project developer ^b	Role in contract monitoring	De jure or de facto approval power over PPPs
Andhra Pradesh, India: AP Infrastructure Authority	✓	✓	✓				✓ ^c
British Columbia, Canada: partnerships BC	✓	✓	✓		✓	✓ ^d	
Gujarat India: Gujarat Infrastructure Development Board	✓	✓	✓	✓	✓	✓ ^d	✓
United Kingdom: Partnerships UK	✓	✓	✓	✓	✓	✓ ^d	✓ ^h
Victoria, Australia: Partnerships Victoria	✓	✓	✓			✓ ⁱ	

GOAP INITIATIVES:

Department of Infrastructure and Investment created in February, 2005.



POLICY FRAME WORK



PROJECTS

Hyderabad Growth Corridor Ltd

(SPV of INCAP (26%) & HUDA (74%))

Outer Ring Road Project for Hyderabad: (158 Kms)

- Pioneering in India – global features
- Integrated Satellite Township to enable horizontal expansion
- Access Control expressway with 120 km/s as design Speed
- 6/8 Lanes, Service Roads, Radial Roads, Provision for Future Railway / Elevated Tracks
- Phase I (24 Kms) Work in Progress
- Phase II A (63 Kms) Project Development Options Finalized
- Phase II B (71 Kms) of the Project is open for participation

HYDERABAD GROWTH CORRIDOR (OUTER RING ROAD) PROJECT IMPORTANCE:

- Efficient & smooth traffic flow in Hyderabad agglomeration
- De-congest city with cluster development in “hinterland”
- State to attract Global Players and Investment
- Enhance quality of life in Knowledge City, churning out large number of technical, scientific and finance expert manpower
- Reduce attrition rate among Knowledge Workers with leisure and entertainment
- Environmental sustenance with horizontal spread of urbanization
- Equitable development on all directions with zoning parameters

ORR – TECHNICAL FEATURES:

- **INCAP collaborated with HUDA conducted National Workshop in June 2005 to evolve globally adopted Technical Features**
- **8-Lane divided carriage way with design speed of 120 kmph**
- **4-Lane facility with one emergency lane provided for breakdown facility for vehicles**
- **2-Lane service road on both sides of Project Corridor wherever required with earthen shoulder to accommodate noise barriers and greenery.**
- **ORR to have needed Global Standards of an access control expressway with interchanges, major bridges and minor bridges.**
- **Right of Way for ORR a min of 125 m and max of 150 m**
- **Scope for eventual rapid mass transit corridor considered**

NATURAL GAS

- Energy Sector
- JV with Govt Co & VC

PROJECT OBJECTIVES:

- Huge finds in Krishna Godavari basin
- To accelerate State's industrialization by enhancing its energy security
- To achieve long term, sustainable, environment-friendly, high industrial growth rate in the State
- To maximize utilization of Gas, to promote
 - power plants
 - fertilizer plants
 - CNG
 - CGD
 - Manufacturing etc.
- To develop requisite transportation / Distribution Network to provide a seamless link between the supply sources and consumers

PROJECT STATUS :

KRISHNA GODAVARI GAS NETWORK LTD

[incorporated in Dec 2006]

INCAP -- 26%

GSPC & GSPL -- 26%

IDFC PE -- 48%

Gas Distribution Network:

- Optimal use of NG from KG Basin for Economic Development of State
- Ensure Energy Security to State
- Demand Assessment Study completed by E&Y by March 2006
- Sectoral Coverage Includes Industrial, Commercial and Domestic Users
- For Transporting the Gas evacuated from KG Basin
- Length 1500 Kms
- ROW Clearance sought from MOPNG (GOI) for Pipelines
- Estimated Capital Outlay Rs.3500 Crores
- Start of COD June 2008
- Equity and debt financing are potential areas
- Cluster development can be targeted

COASTAL LOGISTICS CORRIDOR [C.L.C]

- AP has a coastline of nearly 1000 kms
- Integrated Logistics Coastal Corridor is Planned in two phases from Srikakulam to Nellore
- First Phase covers 73 Mandals in 4 Districts for about 438 km length Area
- Specific Environmental & Eco-conservation strategies planned.
- Roads (666 km), New Railway line (200 km), SEZ (3), Theme Parks (27), Minor Ports (14), Major Ports (2), Airports (3), Power Supply Units (36), Water Supply Schemes (1226), I.T. Enclaves (5) OFC, Health Care.
- Areas for PPP on CLC – Roads New Railway Line SEZ
- Project Concept note is being developed
- Identified for JBIC / ADB technical assistance for feasibility studies & master planning

REGIONAL AVIATION HUB

- **INCAP as a nodal agency of GOAP is in the process of finalizing an MOU for such development with Airports Authority of India**
- **Strategy to combine aviation with real estate and retail opportunities**
- **Revive commercial operations at:**
 - * **Warangal**
 - * **Cuddapah**
- **Techno-economic feasibility & site selection at:**
 - * **Ramagundam (Karimnagar Dist)**
 - * **Kothagudem (Khammam Dist)**
 - * **Ongole (Prakasham Dist)**
 - * **Nellore (Nellore Dist)**
 - * **Kurnool (Kurnool Dist)**
 - * **Anantapur (Anantapur Dist)**
- **Take aviation hub for tier II development in I.T. & I.T.E.S. and retail marketing**

EXPLORATION AND PRODUCTION OF NATURAL GAS/(NELP VII)

- ❖ GOAP keen to invest in E& P activities
- ❖ INCAP may participate in NELP VII in 2007
- ❖ INCAP to partner overseas agencies with technical expertise
- ❖ Government owned (overseas) agencies are preferred option
- ❖ INCAP to take strategic and limited role
- ❖ Strategy to be on offer by April 2007

THANK YOU FOR UR
VALUABLE TIME !!

